

ASSEMBLY BILL

No. 1320

Introduced by Assembly Member Bloom

February 22, 2013

An act to amend Section 34187 of the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 1320, as introduced, Bloom. Redevelopment: successor agencies. The Community Redevelopment Law authorized the establishment of redevelopment agencies in communities to address the effects of blight, as defined. Existing law dissolved redevelopment agencies as of February 1, 2012, and provides for the designation of successor agencies, as defined. Existing law requires successor agencies to wind down the affairs of the dissolved redevelopment agencies, subject to review by oversight boards. Existing law requires a successor agency to, among other things, continue to make payments due for enforceable obligations, dispose of all assets of the former redevelopment agency, and remit unencumbered balances of redevelopment agency funds, including housing funds, to the county auditor-controller for distribution to taxing entities. Existing law requires the successor agency to dispose of all remaining assets and terminate its existence within one year of the final debt payment, requires any passthrough payment obligations to cease at that time, and prohibits the allocation of property tax to the Redevelopment Property Tax Trust Fund for that agency following termination of the agency.

This bill would eliminate the requirement that the successor agency dispose of all remaining assets and terminate its existence within one year of the final debt payment. The bill would additionally eliminate

the requirement that passthrough payment obligations cease at that time, and would eliminate the prohibition on the allocation of property tax to the Redevelopment Property Tax Trust Fund for that agency.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 34187 of the Health and Safety Code is
 2 amended to read:

3 34187. (a) ~~(1)~~—Commencing May 1, 2012, whenever a
 4 recognized obligation that had been identified in the Recognized
 5 Payment Obligation Schedule is paid off or retired, either through
 6 early payment or payment at maturity, the county auditor-controller
 7 shall distribute to the taxing entities, in accordance with the
 8 provisions of the Revenue and Taxation Code, all property tax
 9 revenues that were associated with the payment of the recognized
 10 obligation.

11 ~~(2)~~

12 (b) Notwithstanding paragraph ~~(1)~~ (a), the Department of
 13 Finance may authorize a successor agency to retain property tax
 14 that otherwise would be distributed to affected taxing entities
 15 pursuant to this subdivision, to the extent the department
 16 determines the successor agency requires those funds for the
 17 payment of enforceable obligations. Upon making a determination,
 18 the department shall provide the county auditor-controller with
 19 information detailing the amounts that it has authorized the
 20 successor agency to retain. Upon determining the successor agency
 21 no longer requires additional funds pursuant to this subdivision,
 22 the department shall notify the successor agency and the county
 23 auditor-controller. The county auditor-controller shall then
 24 distribute the funds in question to the affected taxing entities in
 25 accordance with the provisions of the Revenue and Taxation Code.

26 ~~(b) When all of the debt of a redevelopment agency has been~~
 27 ~~retired or paid off, the successor agency shall dispose of all~~
 28 ~~remaining assets and terminate its existence within one year of the~~
 29 ~~final debt payment. When the successor agency is terminated, all~~
 30 ~~passthrough payment obligations shall cease and no property tax~~
 31 ~~shall be allocated to the Redevelopment Property Tax Trust Fund~~
 32 ~~for that agency.~~

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